

Memorandum



TO: Distribution List
FROM: Bryan Tippie, Budget Director
DATE: August 30, 2002
Re: Minutes of the August 21, 2002 Finance Committee Meeting

Committee Members present: Joe Winkelmann and Harry Atherton

The Finance Committee met on August 21, 2002, at 2:30 p.m. in the 4th Floor Conference Room of the Court and Office Building. This document reflects the official minutes of that meeting.

Treasurer's Report: Beth Ledgerton presented the Treasurer's Report for the Finance Committee's consideration.

FY 2003/FY 2004 State Revenue Reductions At the conclusion of the Treasurer's Report, the Finance Committee Chairman stated his concern in the State's indication of major State revenue reductions for FY 2003 and FY 2004. After a brief discussion on the issue the County Administrator and staff were tasked to prepare for the Board of Supervisors' September work session an overview of this situation. This work session would include:

1. Projected State Revenue Reductions – Impact to Fauquier County
2. County's financial status – Fund Balance, FY 2002 Carryover, FY 2003 Revenues
3. Contingency to address possible shortfall – Draft Resolution

County Attorney Report: Paul McCulla presented the County Attorney's Report on that Office's efforts in collecting delinquent taxes. As part of the discussion a need for a new position in the County Attorney Office surfaced. This position would serve the County Attorney Office and would also work for Social Services. Mr. McCulla was directed to review prior documentation on this issue and refer it to the Personnel Committee for consideration.

Consent Agenda

Supplemental Appropriations:

The following supplemental appropriations were approved for forwarding to the Board of Supervisors for their consideration unless otherwise noted.

FY 2002

1. **Sheriff's Office**
 - a. \$839 was approved for appropriation from State funds for the Forfeited Asset Sharing Program.
 - b. \$7,489 was approved for appropriation from Federal funds for DMV Overtime Reimbursement.

- c. \$2,870 also was approved for appropriation from Federal funds for DMV Overtime Reimbursement.
- d. \$3,382 was approved for appropriation from Federal funds for DEA overtime Reimbursement.

2. Juvenile Probation

\$5,520 from Federal funds was approved for appropriation for the Juvenile Accountability Incentive (JAI) Block Grant.

FY 2003

3. Sheriff's Office

- a. \$9,730 was approved for appropriation from State Seizures Fund Balance – Carryover.
- b. \$2,378 was approved for appropriation from Insurance Proceeds to repair hail damage to a Sheriff's Office vehicle.
- c. \$4,703 was approved for appropriation from the State for senior citizens safety precaution training (TRIAD Program).

4. Social Services

State funds of \$14,133 was approved from Fund Balance – Carryover for expenditures related to Child Day Care Grant funding received in FY 2002.

5. Environmental Services

\$900,000 from the Environmental Enterprise Fund Balance was approved for appropriation for the new landfill cell contributions. The contract for the work was approved on June 17, 2002 by Board of Supervisors resolution.

6. Geographic Information Systems

\$2,729 from insurance proceeds was received late June 2002 and was approved for appropriation to repair damaged equipment.

7. Budget Office

\$3,500 from Gain Sharing was approved for appropriation to be split between the two departments involved: Economic Development and Information Resources.

8. Emergency Services

\$11,799 from the Fire and Rescue Emergency Services Fund Balance was approved for appropriation to the Fire and Rescue Capital Fund to fully fund the purchase of four emergency services vehicles.

9. School Division

- a. \$7,848 from Federal School To Work Grant funds was approved for appropriation for related school programs.
- b. \$22,733 in Carl Perkins Grant Federal funds was approved for appropriation for vocational education.

- c. Also \$10,367 in Sliver Grant Federal funds was approved for appropriation for related educational programs.
- d. \$7,000 from Technology Alliance (local donation) was approved for appropriation for elementary school software.
- e. \$1,473 in Assistive Technology Grant Federal funds was approved for appropriation for related programs.

Transfers:

FY 2003

1. Sheriff's Office

\$1,567 was approved to be transferred from the Sheriff's Office budget for the local match of the TRIAD Grant Program.

2. Social Services

Two actions totaling \$60,257 (\$31,086 and \$29,171) were approved for internal transfers to address revised budget needs.

Regular Agenda

Supplemental Appropriations:

The following supplemental appropriations were approved for forwarding to the Board of Supervisors for their consideration unless otherwise noted.

FY 2003

1. Budget Office

\$577,396 from the Fund Balance was approved for appropriation in Debt Service for the first principal and two interest payments in FY 2003 for the Emergency Radio System.

2. Library

\$6,136 from Carryover – Fund Balance was approved for appropriation to the Capital Improvements Program (CIP) for the Bealeton Library project.

An additional discussion occurred concerning the approximate \$200,000 Bealeton Library project shortfall. After a brief discussion staff was directed to submit a request for these funds with detailed justification of the request.

Comments:

1. Finance Department

Health Insurance – William Skinker, Finance Department, provided a health insurance report for FY 2002. Cash costs for FY 2002 were approximately 9% over FY 2001 expenditures. This is a slight increase over the two

previous annual increases of approximately 8%. It was pointed out this rate is significantly below the national trend.

There was some discussion relating how best to present the incurred but not reported (IBR) health care liability each year. IBR is the estimated amount of health care costs that are in the administrative pipeline to be paid. At the end of each fiscal year this liability is estimated for audit purposes. As these expenses are paid they are reflected in the following months financial reports of the new fiscal year. To be consistent in comparing expenditures with prior years an additional column will be included in the Finance Departments report that will reflect the IBR for each of the past years reflected in the monthly report.

2. Budget Office

FY 2004 Budget Guidance – The Budget Director indicated the FY 2004 budget kickoff would be on August 22, 2002. Emphasis will be on briefing the departments on the conversion to the balanced score card and the move from new initiative concept to strategic enhancements. Also included would be general outline of the projected State revenue reductions impact to budgets both in FY 2003 and FY 2004.